

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

HB 1651 - SB 1760

March 8, 2022

SUMMARY OF BILL AS AMENDED (014956): Deletes all references to municipal “off-premise sign” and “off-site sign” and replaces the language with “outdoor advertising device.” Requires municipalities, in the event of a zoning change, to allow current structural and illumination technologies to be used when outdoor advertising devices are constructed or expanded. Provides that any operation, rebuilding, or expansion of an outdoor advertising device involving change in the means of illumination must meet all applicable requirements under current law and must be located along the interstate highway system.

FISCAL IMPACT OF BILL AS AMENDED:

On March 5, 2022, a fiscal memorandum was issued for amendment 014956. After further consideration, it was determined the fiscal impact was in error. As a result, the fiscal impact has been corrected as follows:

(CORRECTED)

Other Fiscal Impact – Passage of this legislation could place the Tennessee Department of Transportation out of compliance with federal law 23 U.S. Code § 131(b), jeopardizing federal funding to the Highway Fund, beginning in FY22-23.

Assumptions for the bill as amended:

- Replacing “off-premise sign” and “off-site sign” with “outdoor advertising device” mirrors the language used in the *Outdoor Advertising Control Act of 2020*. This change in language will have no fiscal impact to local government.
- Based on information provided by the Tennessee Department of Transportation (TDOT):
 - Any billboard located along the interstate highway system is subject to TDOT’s permitting and regulations.
 - As Tenn. Code Ann. § 54-21-119(e) prohibits digital upgrade on nonconforming devices subject to regulation by TDOT, the proposed legislation’s provision to allow digital upgrades on nonconforming billboards along interstate highways is inconsistent with the *Outdoor Advertising Control Act of 2020*.
 - Upon passage of the proposed legislation, the authorization of digital upgrades or reconstruction of nonconforming devices could be determined to violate 23 U.S. Code § 131(b) and would put TDOT in jeopardy of losing up to 10 percent

HB 1651 - SB 1760 (CORRECTED)

(\$122,188,870) of its federal-aid funding to the Highway Fund for failure to provide effective control of outdoor advertising along the interstate and primary highway systems.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/mp